

SENATE BILL REPORT

SB 5725

As Reported by Senate Committee On:
Health & Long-Term Care, February 19, 2009

Title: An act relating to organ transplant lifetime limits.

Brief Description: Concerning health benefit plan coverage for organ transplants.

Sponsors: Senator Keiser.

Brief History:

Committee Activity: Health & Long-Term Care: 2/11/09, 2/19/09 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5725 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Becker, Fairley, Marr, Murray and Parlette.

Staff: Mich'l Needham (786-7442)

Background: Comprehensive health insurance plans provide coverage for organ and tissue transplants. Transplants include single organ transplants such as heart, intestine, kidney, liver, lung, pancreas, multiple organ transplants, and tissue transplants such as bone marrow and cornea transplants. Many health benefit plans have lifetime maximum benefits that will be paid and many also have internal benefit maximums applied to specific benefits, such as a lifetime maximum on organ and tissue transplants of \$250,000. An April 2008 Milliman Research Report on U.S. Organ and Tissue Transplant Cost Estimates displays the average estimated billed charges for various transplants: a cornea transplant is estimated at \$20,700; a heart transplant is estimated at \$787,000; and a heart-lung transplant is estimated at \$1,123,800.

Summary of Bill (Recommended Substitute): After January 1, 2010, all health benefit plans that provide coverage for organ transplants are not allowed to include a separate lifetime limit on transplants that is any less than \$350,000.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended Substitute): After January 1, 2010, all health benefit plans

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that provide coverage for organ and tissue transplants are not allowed to include a separate lifetime limit on transplants that is any less than \$350,000.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: The lifetime limit imposed on transplant benefits is too low. The Milliman study of transplant billed charges displays how much transplants can cost – well over the common \$250,000 cap.

OTHER: Raising the cap on benefits will raise the premium costs. If the benefit cap is removed, patients may see their entire lifetime benefit on the policy exhausted by a transplant, leaving them no capacity for their remaining benefits.

Persons Testifying: PRO: John Scanlon, citizen, former transplant patient.

OTHER: Carrie Tellefson, Regence; Mel Sorensen, America's Health Insurance Plans.